pay as a privilege tax $100 *per annum* and that any foreign and domestic construction company having its chief office in the state should pay $25. The defendant, whose principal office was in Alabama, failed to pay the tax and was denied the right to sue in the state courts. *Held,* that this classification based on the location of chief offices was arbitrary and unreasonable. *Chalker v. Birmingham & N. W. Ry.* (1919) 39 Sup. Ct. 366.

States may make "reasonable and natural" classifications of persons or property for purposes of taxation. *Bell's Gap Ry. v. Pennsylvania* (1889) 134 U. S. 232, 10 Sup. Ct. 533; *Michigan C. Ry. v. Powers* (1906) 210 U. S. 245, 26 Sup. Ct. 459. So a tax on hand laundries operated by men or over two women has been recognized as valid. *Qwong Wing v. Kirkendall* (1912) 223 U. S. 59, 32 Sup. Ct. 192. Or a graduated inheritance or income tax. See (1915) 25 YALE LAW JOURNAL, 427. But an exaction of a license fee from persons selling convict-made goods was held void as arbitrary. *People v. Raynes* (1910, N. Y.) 136 App. Div. 417, 120 N. Y. Supp. 1053. And so a tax upon the property of each race, white or colored, for the support of its own separate school. *Claybrook v. City of Owensboro* (1883, D. Ky.) 16 Fed. 297; *Davenport v. Cloverport* (1896, D. Ky.) 72 Fed. 689. Where the classification makes separate groups of residents and non-residents, the additional question of the "privileges and immunities" clause comes up. Not every discrimination against non-residents is bad under that clause. So the right of suffrage or eligibility to office may be conditioned on a period of residence. See *People ex rel. Akin v. Loeffler* (1898) 175 Ill. 585, 51 N. E. 785. State-owned property may be reserved for exclusive use of citizens. *People v. Setunsky* (1910) 161 Mich. 624, 126 N. W. 844. As a police regulation, residents and non-residents may also be separately classified. *DeGrazier v. Stephens* (1907) 101 Tex. 194, 105 S. W. 992 (liquor dealers must be resident); *State v. Richcreek* (1906) 167 Ind. 217, 77 N. E. 1085 (licensed bankers). But in matters of taxation states may enforce no classification which in its practical operation discriminates against non-residents or foreign products. *Ward v. Maryland* (1870) 12 Wall. 418; *Blake v. McClung* (1898) 172 U. S. 239, 19 Sup. Ct. 165. Thus non-residents selling or offering for sale any goods, may not be subjected to a tax higher than that levied on permanent residents. *Darnell & Son v. Memphis* (1908) 208 U. S. 113, 28 Sup. Ct. 247. And a state statute which imposes a tax on persons not having their principal place of business in the state, and engaged in selling foreign goods, is void, unless a similar tax is levied on persons selling goods manufactured in the state. *Walling v. Michigan* (1885) 167 U. S. 446, 6 Sup. Ct. 454. And similarly in the instant case, where the discrimination is wholly according to the chief place of business.

CONSTITUTIONAL LAW—TAXATION—THE "UNIT RULE" NOT APPLICABLE TO CAR COMPANIES.—An equipment company, incorporated in New Jersey, owned about 12,000 cars, which it rented to shippers and railroads. Georgia imposed a tax on the entire property of such companies based on the ratio of track miles in the state to the total track mileage over which the cars operated. This resulted in fifty-seven cars, the average number constantly used in that state *per annum,* which were valued at $47,000, being taxed as on $291,000. The company refused to pay the tax, alleging the invalidity of the assessment. *Held,* that the mode of appraisement was arbitrary and in violation of the "due process" clause of the Federal Constitution. Day, J., *concurred* in the result. Pitney, Brandeis, Clarke, JJ., *dissenting. Union Tank Line v. Wright* (1919) 39 Sup. Ct. 276.

See COMMENTS, *supra,* p. 802.